

MINUTES OF THE CITY OF LAS VEGAS HOUSING AUTHORITY COMMISSION MEETING HELD ON WEDNESDAY
JANUARY 15, 2020 AT 5:30 P.M. IN THE CITY COUNCIL CHAMBERS.

CHAIRMAN:

Vince Howell

COMMISSIONERS:

David Ulibarri Jr.
Barbara Casey
David Romero
Ember Davis

ALSO PRESENT:

Esther Garduño-Montoya, City Attorney
Barbara Padilla, Interim Housing Director
Natasha Martinez-Padilla, Finance Specialist

CALL TO ORDER

Meeting was called to order by Chairman Vince Howell.

ROLL CALL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

Chairman Vince Howell asked Commissioner David Ulibarri Jr. to offer the moment of silence. Commissioner Ulibarri offered a moment of silence for one of the students at West Las Vegas who passed away in a car accident. Pray for his family and the community. He stated it's hard to see when kids loose a life.

APPROVAL OF AGENDA

Commissioner David Romero made a motion to approve the agenda as presented. Commissioner David Ulibarri and Commissioner Ember Davis seconded the motion.

Chairman Vince Howell asked for a roll call. Roll call was taken and reflected the following.

Commissioner David Ulibarri	Yes	Commissioner Ember Davis	Yes
Commissioner Barbara Casey	Yes	Commissioner Vince Howell	Yes
Commissioner David Romero	Yes		

Barbara Padilla re-read the motion and advised the motion carried.

APPROVAL MINUTES

Commissioner Barbara Casey made a motion to approve the minutes of December 18, 2019 with minor corrections already submitted. Commissioner David Romero seconded the motion.

Chairman Vince Howell asked for a roll call. Roll call was taken and reflected the following.

Commissioner Ember Davis	Yes	Commissioner Barbara Casey	Yes
Commissioner Vince Howell	Yes	Commissioner David Ulibarri Jr.	Yes
Commissioner David Romero	Yes		

Barbara Padilla re-read the motion and advised the motion carried.

PUBLIC INPUT

None at this time.

PRESENTATION

HOUSING AUTHORITY FINANCE REPORT

Natasha Martinez, Financial Specialist presented the Housing Authority's Revenue and Expenditure report for the month ending December 31, 2019. Ms. Martinez stated for half of the year has lapsed. She stated when you look at the Dwelling Rents on the Revenue side, they are still low. She stated this is directly related to vacancies as well as housing families who may be receiving less income than previous tenants. Operating Subsidy accrual in LOCSS's is at \$379,860. Other Income is at \$10,512. Transfer in from CFP and other funds, they have the General Funds Transfer of \$7,497. She stated they haven't received the drawdown form the newest Capital Fund Grant just yet. Once they receive that, it will be reflective in the report. Employee Expenses is at 48% and Operating Expenses is always a little bit lower because they are keeping the line item for betterments and improvements that they want to use for turnarounds.

Commissioner Ulibarri asked how many units they are trying to get ready. Natasha Martinez answered that all the vacant units that have been moved out. She stated 2 or 3 units should be ready by next week.

HUD ASSESSMENT REPORT

Interim Director Barbara Padilla stated that in the Commissioners packets there is a letter addressed to Honorable Mayor Pro Tem, Vince Howell and Interim City Manager, Ann Marie Gallegos. This letter is regarding the additional liability in the amount of \$3,808,000 to be paid back to HUD. Also included is the Operational Assessment dated October 31, 2018.

Commissioner Barbara Casey asked Interim Director Padilla if she met with HUD on this report. Interim Director Padilla stated no, she did not. Commissioner Casey asked Interim City Manager, Ann Marie Gallegos if she could go up so they could refer questions to her.

Interim City Manager Gallegos and Interim Finance Director, Tana Vega approached the presentation table. Commissioner Casey asked if this report had been made public. Interim City Manager Gallegos stated, yes. She gave a brief summary of what transpired. She said that last week she received an email from HUD indicating they would be in Las Vegas on Wednesday, and they requested that Councilor Howell be there, as well as herself. She stated they had the Operational Assessment Report completed and they wanted to meet with the two of them. She confirmed with Commissioner Howell and also asked if there was anyone else they would like present at the meeting, and they requested that Commissioner Romero be present as well. She stated that on Wednesday at 11:00am, the three of them and Tana Vega, as well as Ms. Donna White from Houston, and Mandy Griego from the HUD office in Albuquerque. Interim City Manager Gallegos stated they went through the Assessment Report and the biggest part of the report was that they wanted to quantify the number of units that had been either demolished or sold that did not comply with their regulations. She stated they had already added a note to their financial statements that there is a liability issue with the HUD office and they were just waiting for the number from HUD so they could disclose it on their audit as well. The number they have currently is \$3,808,000.

Interim City Manager Gallegos stated that HUD also requested that the commissioners approve a resolution within a 30 day period, accepting the liability from HUD. She stated once they accept the liability and approve the resolution, they will start working on a repayment plan. She stated that will come from the General Fund dollars. How they structure the repayment plan is something they will have to work on with the Commission and then send it to HUD to see if that is something they will accept. She stated they have indicated they will not accept a 30 year term. She stated they are looking at possibly a 5 or 10 year term and the money from the General Fund would go to Housing so they could capture those funds and put it into bringing units back to the program.

Interim City Manager stated there was a question regarding the policies and procedures. She stated they are still waiting for Mandy to email them back to let them know what policies and procedures were not received yet as well as a template for the resolution. She stated they have not received that. As soon as that comes in, they may need to schedule a Special Meeting acknowledging the liability.

Commissioner Barbara Casey stated that it was her understanding when they were having discussions regarding transferring the administration of Housing to another city, Raton, who was willing to take it, that if they did that and started in moving in that direction, they would only have to pay the 400 hundred and some thousand that was owed, for the sale of the houses that never should have been sold in the first place. Commissioner Casey stated it was also her understanding that if they didn't do that and they didn't make any effort to pay what they were supposed to be paying, that they would end up having to pay the 3.8 million. Her question is, if they knew that, why did they not follow through and pay the \$400,000 instead of now having to pay 3.8 million more. Interim City Manager Gallegos stated they have been paying, and the balance after the payment for this year is \$90,425.

Commissioner Casey said if they have been paying for it, why did HUD say they hadn't paid in 2018. Interim Finance Director, Tana Vega, said there was a balance that they sited of \$11,685. She stated she was not aware of a repayment agreement that had been signed between the City and HUD and they had been transferring \$10,000 versus \$15,000. She stated last year when it was brought to their attention, they went ahead and asked for a budget increase of \$11,685 that made up the underpayment. She stated, in addition they paid \$150,000, plus \$21,685 last year. This brought their balance down to \$240,000. Ms. Vega stated this year they are paying \$165,000 that has already been budgeted. She stated Mandy had asked her for this information and she provided it to her.

Commissioner Casey asked if they have the 3.8 million in the budget. Interim City Manager Gallegos said, to pay outright that is something they will have to work on. They first need to get the resolution approved and start working on how they repay it. She stated there are some options they can explore. They need to look at the budget and see what they can, so she cannot give a yes or no on that question until they look again.

Commissioner Casey stated what concerns her is that the sale of the houses took place in 2002. She stated they should have been working on trying to fix that problem all along. For the repayment agreement, that was done in February of 2016, before Councilor Ulibarri was a councilor, before she was a councilor, before Councilor Romero was a councilor, and that concerns her because it seems like nobody was paying attention to what was happening and they should have been doing something before then to address this issue so they wouldn't be stuck with such a huge amount of money. She stated they could have paid \$400,000 plus. That is a big chunk of money, but it's not as big a chunk as \$3,808,000. She stated, somewhere, the ball was dropped and they can't let that happen. They need to take care of this and get it done. She stated it is also her understanding that once they accept the responsibility, they are accepting blame for not having done what they were supposed to do, and they are stuck paying that \$3,808,000. Commissioner Casey stated they don't have that kind of money in the City to pay out. She stated they really need to start paying more attention to any kind of agreements they have with HUD and make sure they stick to those agreements and make sure someone is monitoring those so they don't end up in another situation similar to this. Commissioner Casey stated she is very concerned and very disappointed that they have to pay this money back, when they don't have the money.

Commissioner Casey stated they need to get this program back on track and moving forward. Interim City Manager stated they did accept the responsibility for the \$400,000 and that is why they put into place the repayment agreement that they have. She stated they are very close to paying off that \$400,000. She stated they did acknowledge the fact that they did owe that money. It has taken the City two and a half years to pay it back. She agrees it is a lot of money and said they have to budget for it and make sure they have the funds available. She told Commissioner Casey she agrees with her in terms of accepting the liability for the 3.8 million, saying when they had their visit with HUD from Houston, they thought it would be closer to 4.5 million,

so the 3.8 million dollars they are looking at right now, is their liability, it is the City's fault from whatever time it was. She stated what they need to do right now is address the issue, as well as with the auditors, and with HUD, and move forward and create a repayment plan that is acceptable to both parties. Something the City can afford as well as what HUD will accept. This is what they are moving towards.

Commissioner Casey stated she is glad to hear that but is still concern. She said if that agreement was signed in 2016, and they didn't start paying it till 2018, that's a two year lag that nothing happened and it should have been addressed since day one. She stated when they have something that important and vital to their program, they don't want to lose housing. Ms. Tana Vega stated they started making payments in 2014. She said the first payment was the church. Commissioner Casey stated that the church was not supposed to be purchased either. Ms. Vega said, no ma'am, and that one they did pay outright immediately upon receiving the special report. She stated they started making payments in 2014, which she stated she was asked by Mandy Griego, and provided her a payment listing. She said she would forward the commissioners the email with the documentation, but their payments did start in 2014.

Commissioner Casey stated she hopes Mandy will see this tape. She said the houses were sold illegally in 2002, why did HUD not do anything about it then? That should have been dealt with right away. HUD should have taken action back then, not 17 years later trying to pick up the pieces of something that happened such a long time ago and with who knows how many different administrations in between then and now. They need to make sure nothing like this happens again so that whoever comes in after this governing body doesn't have this kind of situation come up for the City. They need to protect the City and its citizens.

Commissioner David Romero stated when he first came into the council he ended up at meeting with Mandy and there was concern about the City paying back that repayment agreement. Not long after that is when they talked about the transfer of Housing. He stated they knew they owed on the houses, there was no dollar amount until just recently that this assessment came out. He stated they had the compliance review, in which as they all know, there were several issues. He said they had to get those addressed and it never happened. He said ultimately the Mayor at that time felt that the Albuquerque office was picking on her or on them. He stated this review that just came out is a review from Washington DC that was requested by the Mayor, which was basically the same as the review from Albuquerque except for the dollar amount. One of the questions Commissioner Romero had was to make sure that those findings in the first review were done. He said he understood they were supposed to send an updated list on that. Commissioner Romero said yes, this is something that was done before but he thinks they need to take care of it. He wanted to state right here that he is still in favor of the transfer, because ultimately Housing is for the Low Income in the community and an agency that specifically works on housing is best. He stated there is too much red tape for them to make sure that the program is run efficiently. They are where they are, and they need to move forward. This 3.8 million is a big number and it is interesting on how they are going to take care of that. He stated they should have dealt with it back then.

Interim City Manager Gallegos stated she agrees with Commissioner Romero and said this issue has been around for over 20 years and unfortunately the current commissioners have had to address it. There may come a recommendation to move the Housing to a regional office and this something the commissioners will have to discuss and make a decision on. She believes this is forthcoming as well. The first thing on the table is addressing the liability and that is what they intend to do.

Commissioner Romero stated he brought this up he knows Commissioner Ulibarri Jr. has asked why are other Housing Authorities doing certain things for their residents and Las Vegas is not. He stated once again, it is because this debt has not been taken care of. Ms. Natasha Martinez stated that is correct.

Some discussion ensued regarding the possibility of more funding if the Housing Authority was under a regional office.

Commissioner David Romero said there has been a concern from residents that Las Vegas would lose housing and that is not the case. In fact there would likely be more opportunity for funding for the community.

Interim City Manager Gallegos stated she has asked Interim Director Barbara Padilla to follow up with Mandy from HUD for a template resolution to get the process completed within the 30 day period. Chairman Howell stated he believes there is direction included in the letter from HUD, therefore we do not need to wait for Mandy to provide a template. Interim City Manager Gallegos said no we would not want to wait for her, but would want for Mandy to review it first to make sure it is under acceptable terms.

Chairman Howell stated so all the City is waiting on from Mandy is a list of items that need to be taken care of. Interim City Manager Gallegos stated yes.

Commissioner Ulibarri stated he agrees with the other commissioners that they should have taken care of this a year ago or two years ago. He asked if they could have more information on it and the sales of the houses that were illegally sold. He stated it is hard to come in the meeting and hear those numbers because they could have used that money for something else.

Commissioner Barbara Casey asked Tana Vega how much money was in reserves and if they could use any of that money. Ms. Vegas responded that there is about 1.6 million. Interim City Manager Gallegos stated they knew this was coming and they have been setting aside money that they have so when this time came they would need to address it. Ms. Tana Vegas stated the auditor is including a note discloser showing this amount.

Chairman Howell asked how they came up with the 3.8 million. Interim City Manager Gallegos stated she believed it was based on the current fair market value.

HOUSING DIRECTORS MONTHLY REPORT

Interim Director Padilla stated the waiting list manager continues to accept and process applications daily. She stated going on the radio was helpful in getting people to come in and apply for Housing. She stated that currently there were 72 applicants on the waiting list total. On the 0 to 1 bedroom list there are currently 54 applicants, on the 2 bedroom, 13 applicants, on the 3 bedroom, 4 applicants, on the 4 bedroom, 1 applicant and zero applicants on the 5 bedroom waiting list.

Interim Director Padilla stated that the Housing Managers conducted 17 recertifications, completed 4 move-in orientations and continued with all other day to day operations. Housing Maintenance turned over 4 units for new move-ins.

Chairman Howell asked how often we are using the 5 bedroom unit since there are currently no applicants on the 5 bedroom waiting list. Interim Director Padilla stated there are only two 5 bedroom units in Housing and they are currently both occupied. If there were to move out, we would likely house people off the 4 bedroom waiting list.

COMMISSIONERS REPORT

Commissioner Romero stated that when the Housing Authority was going through the assessment they were not really in contact with Albuquerque, he asked if they are now. Interim Director Padilla stated to Commissioner Romero that they have always been in contact with Albuquerque. She apologized and asked if he would clarify. Commissioner Romero said during the assessment from Washington, we were not in contact. Interim Director Padilla asked if he was referring to this assessment just received. He stated yes. Interim Director Padilla stated they had had not received anything, but as she have always mentioned, it was never to the Housing Authority that anything was addressed to, it was always the City of Las Vegas that it was addressed to. Commissioner Romero asked Interim City Manager to follow up on the findings that were not

complete. Ms. Natasha Martinez wanted to ensure the Commission that anything that has been submitted to the Albuquerque office did go to the Commission prior to being submitted to HUD.

Commissioner Barbara Casey asked regarding the constituent that contacted her saying she had put down earnest money on the houses that were being advertised for sale as HUD housing. Ms. Martinez explained that she had reached out to the Albuquerque field office to ask about it because of the homes listed was actually on Housing's list of ineligibly sold homes. They basically stated it is a spoof that has nothing to do with HUD or the Housing Authority. She described it as if PNM was calling saying are with PNM and they are not with PNM. The HA is not selling any homes at this time.

Commissioner Ulibarri Jr. said he is aware that they surveyor has finished the survey of the wall by Daylight Donuts. He said he checked out the markings. He said the west side of the wall is on the owners property and if there is any funding or anything they can do with that wall.

Ms. Natasha Martinez stated as far as that wall goes, the first 20 or so feet are on Housing Property and the remaining is on the private owners. Because of the anti donation clause in the state of New Mexico, Housing cannot actually repair the wall if it is on the owners property. Ms. Martinez reminded the commission about a memo that was done regarding the process that it would entail. She stated Housing will be including in the 5 year plan for engineering services for that area in case there is anything they can do there. Legally Housing cannot do anything on the property that is not theirs.

Commissioner Ulibarri Jr. said he looked at the property lines and half of it is on the City's property. He said whoever built that wall back in the 80's. He is concerned with the West side of the wall, but if it's going to take 5 years to do that, that's too long to wait for an accident to happen that is going to cost the City money. He said they need to try to work with HUD or someone who can help with that.

Chairman Howell said he thinks they should collaborate with HUD and the owner to correct this issue. It is important because of the liability.

EXECUTIVE SESSION

None

ADJOURN

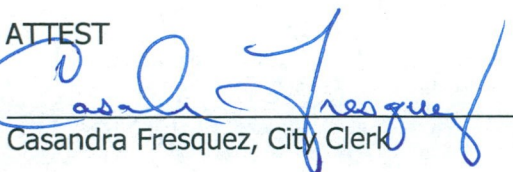
Commissioner Barbara Casey made a motion to adjourn the meeting. Commissioner David Ulibarri Jr. seconded the motion.

Chairman Vince Howell adjourned the meeting.



Chairman of the Board of Commissioners

ATTEST



Casandra Fresquez, City Clerk